

THE STOP COUNTERFEITING IN  
MANUFACTURED GOODS ACT

**HON. JOE KNOLLENBERG**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. KNOLLENBERG. Mr. Speaker, today I am reintroducing legislation—the Stop Counterfeiting in Manufactured Goods Act. This bipartisan bill addresses the problem of counterfeit manufactured goods. I hope my colleagues will join me in passing this bill at the earliest opportunity.

The problem of counterfeit manufactured goods is a growing problem around the world that threatens public safety and harms our economy here at home. Too often, counterfeit goods steal sales from legitimate American manufacturers and cost Americans high-paying manufacturing jobs. In fact, according to the U.S. Customs Service and Border Protection, counterfeiting costs the U.S. an estimated \$200 billion annually.

Manufacturers in this country are the most efficient and technologically advanced in the world, but they face many challenges. The biggest challenges are the costs they directly cannot control. We need to focus on measures that alleviate these costs, and crack down on those criminals that break the rules and drive up costs, thereby stealing manufacturing companies of what is rightfully theirs.

Counterfeiting is not just about lost sales and jobs, however. It is a means by which the most nefarious organizations finance their activities. Interpol Secretary General Ronald Noble has stated that “we know that al-Qaeda supporters have been found with commercial size volume of counterfeit goods.”

It is my belief, and that of a broad coalition backing this legislation, that to address the scourge of counterfeiting, the U.S. Government must possess additional tools. That is exactly what my bill provides.

The Stop Counterfeit in Manufactured Goods Act strengthens the federal trademark law used to prosecute counterfeiters with two key provisions.

First, the bill provides for the mandatory destruction of the equipment used to manufacture and package counterfeit goods. Under current law, counterfeiters can have their illegal goods seized, but retain the equipment they used to make them. We should not leave counterfeiters in business, and this provision will help us dig up the roots of counterfeiting networks.

The bill also clarifies that Title 18, Section 2320, prohibits trafficking in counterfeit labels, patches, and medallions that are unattached to any goods. Sophisticated counterfeiters have sold counterfeit versions of the trademarks themselves in the form of patch sets or medallions that can later be attached to generic merchandises and given the appearance of a genuine product. This is counterfeiting and should not stand.

The Stop Counterfeiting in Manufactured Goods Act will have a positive impact here in the United States and end the merciless stealing of American jobs and sales. In fact, the Department of Justice's Task Force on Intellectual Property cites this bill as a measure

that would increase the effectiveness of intellectual property enforcement.

The bill's reach will also be global. The Office of the U.S. Trade Representative (USTR) is currently engaged in a variety of bilateral and multilateral trade negotiations. However, USTR cannot readily negotiate criminal anti-counterfeiting standards above the levels found in the United States. By passing this bill into law, we will empower our negotiators to press for stronger anti-counterfeiting measures from our trading partners. The U.S. must lead by example in intellectual property rights enforcement and this is a critical step we must take. Clearly, the passage of the Stop Counterfeit of Manufactured Goods Act is long overdue.

I thank the bipartisan group of Members for joining as original cosponsors of this legislation. I encourage all my colleagues to join us in cracking down on the counterfeit goods that threaten public safety, steal sales from legitimate manufacturers, and cost American jobs.

I look forward to working with my colleagues to expeditiously pass this legislation into law.

Mr. Speaker, I submit the following letter on this issue for the RECORD:

AMERICAN APPAREL & FOOTWEAR ASSOCIATION, AUTOMOTIVE AFTER-MARKET INDUSTRY ASSOCIATION, GAS APPLIANCE MANUFACTURERS ASSOCIATION, GROCERY MANUFACTURERS OF AMERICA, INTERNATIONAL ANTI-COUNTERFEITING COALITION, INTERNATIONAL TRADE-MARK ASSOCIATION, MOTOR & EQUIPMENT MANUFACTURERS ASSOCIATION, NATIONAL ASSOCIATION OF MANUFACTURERS, NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION, NATIONAL MARINE MANUFACTURERS ASSOCIATION, NATIONAL RETAIL FEDERATION, SPECIALTY EQUIPMENT MARKET ASSOCIATION, UNITED STATES CHAMBER OF COMMERCE

*January 3, 2005.*

DEAR CONGRESSMAN KNOLLENBERG: The organizations listed above write in support of your legislation to strengthen the criminal statute against trafficking in counterfeited goods. This bill would amend the U.S. Code, 18 U.S.C. 2320, by closing existing loopholes that can allow counterfeiters to avoid prosecution, maintain control of assets for criminal enterprises, and unjustly profit from their illegal activities. This legislation would grant trademark owners remedies similar to those already provided to copyright and trade secret owners.

Acts of counterfeiting result in significant economic harm in the form of lost profits, diminished reputation among consumers, and decreased tax revenue. The FBI estimates that counterfeiting costs U.S. businesses \$200 billion to \$250 billion annually and is increasing rapidly. New York City estimates that in 2003 alone, the theft of intellectual property cost the city over \$1 billion in lost tax revenue. Another frightening trend relates to the rising occurrence of substandard and dangerous counterfeit goods that present severe public health and safety risks. Numerous deaths and injuries have already been attributed to counterfeit products. Finally, and perhaps most alarmingly, there is strong evidence suggesting that organized criminal groups and terrorist organizations are increasingly involved in criminal counterfeiting schemes.

Existing domestic laws should be bolstered to effectively address this problem. Your bill

would strengthen those laws by prohibiting the trafficking in counterfeit labels, patches, stickers, hangtags, or medallions that are unattached to goods. In addition, the bill would make mandatory the forfeiture and destruction of counterfeit goods, as well as the assets used to produce, package, and distribute counterfeit goods, and requires the forfeiture of property and assets derived from counterfeiting.

Internationally, the World Customs Organization and Interpol estimate that the annual global trade in illegitimate goods has increased from \$5.5 billion in 1982 to roughly \$600 billion today and it continues to grow. Ambassador Zoellick, the U.S. Trade Representative, recently characterized trademark counterfeiting, along with copyright piracy, as a “scourge on the global economy.”

Immediate passage of this legislation is necessary to more effectively combat counterfeiting abroad. The Office of the U.S. Trade Representative advises that it will not negotiate criminal anti-counterfeiting standards above the levels found in current U.S. law. With a number of free trade agreements currently being negotiated, it is imperative that the current deficiencies in domestic law are not codified in these international agreements. We should seize the opportunity represented by new trade agreements to obtain stronger enforcement obligations from our trading partners against counterfeiting.

The groups listed above represent thousands of trademark owners whose intellectual property assets are targets of counterfeiters in the U.S. and abroad. We would like to thank you for your excellent leadership on this issue and we commit to working with you to ensure that the U.S. House of Representatives acts quickly to consider and pass this important legislation. If you have any questions, please do not hesitate to contact the interested associations directly, or Tim Trainer (ttrainer@iacc.org) of the International AntiCounterfeiting Coalition, telephone (202) 223-6667.

A TRIBUTE TO SISTER MARY  
BURNS

**HON. NYDIA M. VELÁZQUEZ**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Ms. VELÁZQUEZ. Mr. Speaker, today, I would like to pay tribute to a remarkable woman from my Congressional District, and wish her the best as she begins a new chapter of her life. Sister Mary Burns has spent more than a decade honoring the lives of Maura Clarke and Ita Ford, Maryknoll Sisters who were killed in 1980 while working to assist the poor in El Salvador. I am pleased to take this opportunity to honor her and her own work on behalf of economically disadvantaged women.

In 1993, Sister Mary Burns founded the Maura Clarke-Ita Ford Center (MCIF) in one of New York City's most impoverished communities, the Bushwick neighborhood in Brooklyn. The center provides education and training to low-income, mainly Hispanic, women. Under the leadership of Sister Mary Burns, MCIF has thrived—providing personal development, education and economic independence, and empowering women to break the cycle of poverty.

Like many Irish women who grew up in South Boston, Sister Mary Burns is strong and resilient, a person with deep faith and a wicked sense of humor. She is generous of heart and giving to her core. And her work on behalf on disadvantaged women is as impassioned as it is pioneering.

Bushwick was devastated during the riots of the late 1970s, and severe poverty and unemployment continues to plague the neighborhood. MCIF offers residents literacy classes, GED instruction, and job training. Recognizing the desperate need for entry level jobs in the Bushwick area, MCIF initiated an innovative program to create a small clothing factory in the neighborhood to offer low income women employment earning a livable wage, day care services, and the opportunity to attain business development and leadership skills.

MCIF also has a kitchen incubator to help new entrepreneurs develop the skills and experience necessary to launch successful small businesses in the food industry. Similarly, the center is home to a bakery program where local women put their skills to work baking cookies. Sales from these cookies, which on their own are well worth a trip to Bushwick, are used to support the program and compensate the bakers for their hard work—providing a path to economic independence.

These programs serve as an important model on how to strengthen communities one person and one family at a time. And its through the dedication and drive of Sister Mary Burns that the women who enter the doors of MCIF leave believing in themselves, envisioning promising futures, and chartering successful lives for their families.

I am honored to have worked with Sister Mary Burns over the years in advancing the mission of MCIF. Under her guidance, the center has become a critical resource for some, a sanctuary for others, and a source of inspiration for all who witness its extraordinary work. I, along with so many residents of the community, will miss her dearly. But her principles of loving acceptance, unwavering encouragement, and enduring faith are now firmly embedded in the spirit of the community—and families from Bushwick will benefit from her work for generations to come. It is in this light Mr. Speaker, that I ask my House colleagues to join me in honoring the remarkable contributions of Sister Mary Burns and wishing her the best of luck in her future endeavors.

#### INTRODUCING H.R. 240, WELFARE REFORM REAUTHORIZATION BILL

### HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. HERGER. Mr. Speaker, I am pleased to join my colleagues in introducing H.R. 240, the Personal Responsibility, Work and Family Promotion Act of 2005. This legislation reauthorizes and strengthens the successful welfare reforms begun in the 1996 welfare reform law (P.L. 104–193). Joining me introducing this legislation are Representatives PRYCE, THOMAS, BOEHNER, BARTON, GOODLATTE, MCKEON, BILIRAKIS, DELAY, SHAW, CANTOR, ENGLISH,

CAMP, NANCY JOHNSON, WELLER, NORWOOD, JOE WILSON and KLINE.

Welfare reform has been a great success in promoting work, ending dependence, and reducing poverty. Millions more low-income parents are working today instead of depending on welfare, offering brighter prospects for their family's future. Since the implementation of welfare reform in 1996, welfare caseloads dropped by more than 50 percent nationwide—leading more than two million families and seven million former recipients to rely on themselves, rather than depend on a check from the government. More than 1 million children have been lifted out of poverty since reform, and poverty rates for black children and children living with single mothers reached—and despite the 2001 recession still remain near—all time lows. Recent reports linked work-based welfare reforms with reduced parental substance abuse (<http://www.affiliatedsystems.com/newest.htm>) and child poverty ([http://www.manhattaninstitute.org/html/cr\\_44.htm](http://www.manhattaninstitute.org/html/cr_44.htm)).

Still, despite this success nearly 2 million families remain dependent on welfare for support, and relatively few of those parents are working or getting training in skills needed to lift their families out of poverty. That needs to improve. Plus too many families break up or never form, leaving millions of children and parents at risk of welfare dependence in the future.

H.R. 240 as introduced today will help even more low-income parents and families support themselves, including through stepped up efforts to strengthen families and support healthy marriages that are the best environment for raising children. H.R. 240 would extend TANF and related programs through fiscal year 2010, and makes selected changes to promote more work and stronger families, including healthy marriages.

In 2002 and 2003, the U.S. House passed earlier versions of this legislation. However, since the U.S. Senate failed to pass companion legislation, comprehensive welfare reauthorization legislation was not signed into law. Instead, the President signed eight short extensions of current law, the most recent of which expires on March 31, 2005. H.R. 240 as introduced today is an updated version of legislation the House passed in 2002 and 2003, which will serve as the basis for hearings and other consideration during the early days of the 109th Congress.

I look forward to working together with my Republican and Democrat colleagues to craft the best possible welfare reauthorization policy, building on the foundation of the current system and the proposals the House passed in recent years. We will hold hearings to examine features of today's welfare policy that are working, and those that are in need of improvement. In tight budget times, it will take all of our efforts to ensure that welfare reform continues to be successful. As the 1996 reforms have proven, however, we can help more parents work, reduce dependence on government benefits, cut poverty, and still protect taxpayers' interests at the same time. Before 1996, hardly anyone thought we could do all that, and now we have a track record of getting it done. We need to build on that successful record, which H.R. 240 would do.

I encourage all my colleagues on both sides of the aisle to support this important legislation.

#### TRIBUTE TO BEA WEISBROD

### HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, it is an honor and a privilege for me to pay tribute today to one of the most respected community leaders in Dallas, Texas: Bea Weisbrod.

The name Bea Weisbrod has long been associated with excellence and one of our highest standards of civic pride. Bea Weisbrod, on December 5, 2004 received the Bnai Zion's Lifetime service award. Bea is founding member of Bnai Zion-Texas Region and a long-time member of Congregation Shearith Israel. Her many years of community service and dedication to making a difference in the lives of people in our community, as well, as in Israel are truly deserving of our appreciation and praise.

In addition to her professional associations, Bea Weisbrod selflessly devotes her personal time to numerous organizations including the Hadassah where she serves on the regional board.

Mr. Speaker, I commend the Bnai Zion Foundation on its excellent selection of Bea Weisbrod for its lifetime service award, and I wish her sons Les, Carl, and their loving family continued success in all of their endeavors.

I know that Bea Weisbrod will continue to play an important role in our community for decades to come, and that America will continue to benefit from her dedication, service and hard work.

#### HONORING HOMER CADDELL "CAL" HENDERSON, JR.

### HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. DAVIS of Florida. Mr. Speaker, I rise in honor of Homer Caddell "Cal" Henderson, Jr., who is retiring today after 12 years of loyal service as Sheriff of Hillsborough County, Florida.

Cal dedicated his life to keeping our community safe. At 21, Cal began his law enforcement career in the Tampa Police Department, and he went on to serve the U.S. Border Patrol and the CIA as a national police trainer in Vietnam. In 1969, when Cal returned home to Tampa, he joined the Hillsborough County Sheriff's Office.

During his 35 years in the Sheriff's Office, Cal Henderson experienced a period of enormous growth and development in Hillsborough County. The year Cal joined the force, the Sheriff's Office employed 157 deputies serving a mostly rural area. In fact, at that time, Cal was the only deputy working in his region of eastern Hillsborough. Today, as Sheriff Henderson retires, his office employs 1,200 deputies, 950 sworn detention officers and 1,000